GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3570
ANSWERED ON:25.08.2006
DOWNFALL OF INDIAN RUPEE
Chakraborty Shri Ajay

Will the Minister of FINANCE be pleased to state:

(a) Whether the value of Indian rupee against the US dollar is sliding down continuously;

(b)If so, the details thereof and the reasons therefor;

(c)Whether the Government has assessed adverse impact on Indian Economy due to fall in value of Indian rupee;

(d) If so, the details thereof; and

(e) The preventive measures likely to be taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): No, Sir. The exchange rate vis-â€¦-vis the US Dollar has exhibited two way movements in the recent period. After depreciating to 46.97 per US Dollar on July 19, 2006 from an average of 44.48 per US Dollar in March 2006, the rupee has appreciated and stood at 46.48 per US Dollar on August 18, 2006.

(c), (d) & (e): The macroeconomic impact of the rupee movement is monitored closely and the policy stance in this regard is to allow the exchange rate to be determined freely by the market forces as it reflects the economic fundamentals and check disorderly movements and misalignment with the real sector through monetary policy and other measures.